

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-108-E - ORDER NO. 2006-249

APRIL 25, 2006

IN RE:	Application for the Supply of Electricity Between Carolina Power and Light Company DBA Progress Energy Carolinas, Inc. and Grant Clarendon Inc.) ORDER APPROVING) SETTLEMENT) AGREEMENT)
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This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc. (Progress or the Company) for the Supply of Electricity between Company and a new customer, Grant Clarendon Inc. (Grant). This Service Agreement governs electric service to Grant's plant in Clarendon County, South Carolina. Progress states that because of the commercial sensitivity and proprietary nature of certain provisions of this Service Agreement as well as the highly competitive nature of the industry in which Grant operates, the Company and Grant request that the Service Agreement be received in its original form under seal for Commission review.

By letter, the Office of Regulatory Staff (ORS) states that it has reviewed the above-referenced filing. Based on the information provided, ORS does not have an objection to the proposed electric service contract. ORS notes that Grant is a wood products manufacturing facility in Clarendon County and is expected to initially employ 120 workers. The new facility will represent an investment of \$200 million in South

Carolina. ORS recognizes this request to be advantageous to the Company as well as the ratepayer. It is also consistent with ORS' mission to represent the public interest.

ORS states that if the Commission is inclined to grant this request, ORS would recommend including a provision to require the Company to track any resulting foregone revenue and reserve the appropriate ratemaking treatment related to any foregone revenues for a future rate proceeding or review as determined by the Commission.

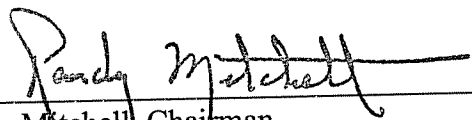
We approve the Service Agreement and grant confidentiality, as requested. It appears to us that approval of the Service Agreement is in the public interest. Further, we agree with the Company that the commercial sensitivity and proprietary nature of certain provisions of the Service Agreement, as well as the highly competitive nature of the industry in which Grant operates, dictates that the Service Agreement in question be received in its original form under seal for Commission review and be kept confidential.

We agree with ORS and hold that the Company shall be required to track any resulting foregone revenue, and we reserve the appropriate ratemaking treatment related to any foregone revenues for a future rate proceeding or review.

In summary, we approve the Service Agreement and hold that the document should be kept confidential. Progress shall track any resulting foregone revenue as indicated above, and we reserve appropriate ratemaking treatment related to any foregone revenues for a future rate proceeding or review as determined by this Commission.


This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice-Chairman

(SEAL)